

**LEMON GROVE CITY COUNCIL  
AGENDA ITEM SUMMARY**

**Item No.** 1.A  
**Mtg. Date** October 11, 2015  
**Dept.** Development Services

**Item Title:** Cooperative Work Agreement Extension Request

**Staff Contact:** Carol Dick, Development Services Director  
Tim Gabrielson, Interim City Engineer

**Recommendation:**

Adopt a resolution (**Attachment B**) authorizing the Public Works Director to sign a Cooperative Work Agreement extension request.

**Item Summary:**

In 2009, the City of Lemon Grove received a federally funded Safe Routes to School grant to construct sidewalks, curbs and gutters along Palm Street and Golden Avenue. The project budget, at that time, was \$929,754. The proposed funding came from two sources: \$743,504 in grant funds and \$186,250 of local matching funds (TransNet). From 2009 through 2012, the project was progressing as scheduled. However, a number of events transpired that now require staff to apply for a Cooperative Work Agreement (CWA) extension in order to complete this project before the June 30, 2016 deadline thereby avoiding the deobligation of SRTS grant funds.

The staff report (**Attachment A**) provides greater detail regarding those unforeseen events, what a cooperative work agreement is, and the financial repercussions should the City not complete the project on time without an extension.

**Fiscal Impact:**

None.

**Environmental Review:**

- |   |   |
|---|---|
| <input checked="" type="checkbox"/> Not subject to review                 | <input type="checkbox"/> Negative Declaration           |
| <input type="checkbox"/> Categorical Exemption, Section <u>          </u> | <input type="checkbox"/> Mitigated Negative Declaration |

**Public Information:**

- |  |   |   |
|--|---|---|
| <input checked="" type="checkbox"/> None                     | <input type="checkbox"/> Newsletter article   | <input type="checkbox"/> Notice to property owners within 300 ft. |
| <input type="checkbox"/> Notice published in local newspaper | <input type="checkbox"/> Neighborhood meeting |   |

**Attachments:**

- A. Staff Report
- B. Resolution
- C. Department of Transportation letter dated October 2, 2015
- D. Cooperative Work Agreement Application



## LEMON GROVE CITY COUNCIL STAFF REPORT

Item No. 1.A

Mtg. Date October 11, 2015

Item Title: **Cooperative Work Agreement Extension Request**

Staff Contact: Carol Dick, Development Services Director  
Tim Gabrielson, Interim City Engineer

### Background:

In 2009, the City of Lemon Grove received a federally funded Safe Routes to School (SRTS) grant to construct sidewalks, curbs and gutters along Palm Street (between Skyline and Golden) and Golden Avenue at the intersection with School Lane. The project budget, at that time, was \$929,754. The proposed funding came from two sources: \$743,504 in grant funds and \$186,250 of local matching funds (TransNet).

### Project Timeline:

In order to place this request into perspective, staff felt it was important to outline the chronology of events:

- 10/22/2008 City awarded SRTS grant.
- 11/3/2009 Kimley-Horn and Associates hired to design project.
- FY 2012 Project design completed.
- 4/11/2011 Authorization request to proceed to construction submitted to Caltrans.
- 08/16/2011 Caltrans authorized project to proceed with construction.
- 09/09/2012 Project advertised for public bid but was cancelled.
  - The project was cancelled because Liberty Charter High School leased what was Palm Middle School, thereby questioning if the grant funds were still allowable for that project area.
- 03/09/2014 The Department of Finance granted extension with a sunset date of 06/30/2016.
- 08/14/2014 Staff submitted request to Caltrans to amend the crosswalk design due to changes at the School and City Standards.
- 09/02/2014 Staff received Caltrans approval of the change.
- 03 - 07/2015 Staff turnovers occurred in the City Engineer position.
- 07/15/2015 Rick Engineering Company hired as the Interim City Engineer.
- 09/01/2015 Kimley-Horn contract amendment approved by the City Council to update plans to current standards and specifications.

Since September, City and Rick Engineering staff have diligently prepared a new federal contract and provisions that was advertised for bid on October 8, 2015.

# Attachment A

## Discussion:

On October 2, 2015, the City received notification (**Attachment C**) from the California Department of Transportation (Caltrans) that the City may lose federal funding on June 30, 2016 if a final invoice and report of expenditures are not received by April 1, 2016.

The City anticipates the project will be substantially complete by the April 1<sup>st</sup> deadline; however, processing the required paperwork from the contractor and submitting the final closeout package to Caltrans will be difficult to meet.

A second option outlined on page two of **Attachment C** details the CWA extension process. Since staff will not close out this project by December 31, 2015, there is an option to request a CWA extension by October 23, 2015. A Cooperative Work Agreement is detailed in Section 16304.3 of the Government Code and authorizes the Department of Finance (DOF) to extend state budget authority on all Local Assistance funding from 6 years to a maximum to 8 years from the original year of appropriation upon DOF approval. This extension is a discretionary approval by the DOF.

This extension is vital to complete this project. If the City does not apply for or receive an extension, it may be responsible to complete the project using local funds. Failure to complete the project may also result in the agency having to repay any federal funds invoiced on the project and may jeopardize future funding opportunities.

Working with the Interim City Engineer, the following cost estimates were provided to outline potential financial risk if an application for the CWA extension is not submitted.

### 2015 Project Construction Cost Estimate

1	Engineer's estimated construction cost	\$825,000
2	Materials testing / inspection	\$30,000
3	5% contingency	\$41,000
		\$896,000
4	Caltrans SRTS Funds	<\$657,000>
5	Required City Funds	\$250,000

The City funds identified in the table above are allocated from Fund 14 in the Fiscal Year 2015-2016 approved budget.

## Project Schedule:

Working with Kimley-Horn, staff identified a number of concerns moving forward. First, the project bid documents list the project completion time at approximately 90 days. There is no current allocation for rainy days, which according to weather forecasts should be very prevalent this winter. This may delay the project's completion. Second, the grant deadline is listed as June 30, 2015 but Caltrans Local Assistance has informed the City that the local deadline is April 1, 2015. Based on the known information staff created the following construction schedule:

## Attachment A

- October 8, 2015      Advertise the project for bid
- October 15, 2015    Hold a preconstruction meeting
- October 29, 2015    Bid opening
- November 17, 2015   City Council awards the construction contract
- December 1, 2015    Begin construction
- March 18, 2015      End construction
- April 1, 2016        Project closeout
- April 5, 2016        City Council accepts the project as complete
- April 7, 2016        Send closeout package to Caltrans Local Assistance

In the event that any rain delays occur it is likely that the project will not be completed by the deadline of April 1<sup>st</sup>.

At this time, staff remains cautiously optimistic moving forward. Under normal weather conditions, the amount of time allocated to construct the project would be reasonable. However, the El Nino forecast, should it be as strong as expected, may delay the project by a number of days thereby guaranteeing that the project will not meet the current project completion deadline. |

### **Conclusion:**

Staff recommends that the City Council adopt a resolution (**Attachment B**) authorizing the Public Works Director to sign a Cooperative Work Agreement extension request. |



# Attachment B

## RESOLUTION NO. 2015 -

### RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LEMON GROVE, CALIFORNIA APPROVING THE COOPERATIVE WORK AGREEMENT EXTENSION REQUEST

---

**WHEREAS**, in 2009, the City of Lemon Grove received a federally funded Safe Routes to School grant to construct sidewalks, curbs and gutters along Palm Street between Skyline Drive and Golden Avenue and the intersection of Golden Avenue and School Lane; and

**WHEREAS**, from 2009 to 2012, the project was progressing as scheduled and in August 2012 was advertised for bid; however, the bid was cancelled due to issues with the Palm Middle School Closing

**WHEREAS**, on March 9, 2014, the Department of Finance granted a one-time project extension with a sunset date of June 30, 2016 to utilize the obligated funds for the project; and

**WHEREAS**, on October 2, 2015, the City received notification from the California Department of Transportation that the City may lose federal funding on June 30, 2016 if a final invoice and report of expenditures are not received by April 1, 2016; and

**WHEREAS**, the City has an option to request a Cooperative Work Agreement extension that would extend the funds to October 22, 2016 and allow the project to be completed without the loss of grant funds.

**NOW, THEREFORE, BE IT RESOLVED** that the City Council of the City of Lemon Grove, California hereby:

1. Approves the Cooperative Work Agreement extension request; and
2. Authorizes the Public Works Director to sign the request on behalf of the City Council.

/////

/////





**DEPARTMENT OF TRANSPORTATION**

DIVISION OF LOCAL ASSISTANCE  
P.O. BOX 942874, MS-1  
SACRAMENTO, CA 94274-0001  
FAX (916) 654-3048  
[www.dot.ca.gov](http://www.dot.ca.gov)



*Serious drought.  
Help save water!*

October 2, 2015

Mr. Mike James  
City Engineer  
City of Lemon Grove  
3232 Main Street  
Lemon Grove, CA 91945

SRTSL-5418 (017) SE1 & SE2

Dear Mr. James:

This is to inform you that your agency may lose unspent federal and/or state funding on **June 30, 2016**, for projects included on the attached list. Please respond by **October 23, 2015**, indicating what course of action will be taken for each project on the attached list. Responses must be submitted via excel copy format to your District office, Attention: Cooperative Work Agreement (CWA) Liaison Debora Ledesma-Ribera. No late submittals will be accepted. An electronic copy of the list of projects is available at:  
<http://www.dot.ca.gov/hq/LocalPrograms/CWA/cwa.htm>

Please take one of the two following actions for each project on the list, as applicable:

- (1) Close the completed encumbrance. If the encumbrance has been completed, your agency must submit the final invoice for eligible expenditures and the final report of expenditures for the funds in question by **April 1, 2016**. Please inform your CWA Liaison in writing (e-mail is adequate), that you plan on completing the project.
- (2) Request a CWA extension. If the encumbrance will not be fully reimbursed or closed out by **December 31, 2015**, you will need to request a CWA extension by October 23, 2015.

If you are requesting a CWA, the form must include your Board/Council's signature to document their approval. The Public Works Director may sign the request if he/she has delegation authority from the Board or Council. If the Board/Council will not be able to sign by October 23, 2015, please write "Forthcoming" in the signature box and forward a PDF copy of the signature, or meeting minutes, resolution (etc.) when available to the CWA Liaison.

*"Provide a safe, sustainable, integrated and efficient transportation system  
to enhance California's economy and livability"*

# Attachment C

Mr. Mike James  
October 2, 2015  
Page 2 of 2

When completing the spreadsheet, it is very important to provide a justification of delays, future milestones, any further impediments to completion, and consequences if funding will not be extended. The Department of Finance will review the justification and determine whether an extension should be approved. **There is no appeal process for a denied extension.**

Please note, it is the agency's responsibility to complete projects as programmed in order to retain federal and/or state funds previously reimbursed. Otherwise, funding for future projects may be jeopardized. **If funding is not extended, the Local Agency is responsible for completing the encumbrance(s) using the agency's own funds.**

If you have any questions regarding this notice, please contact Debora Ledesma-Ribera at (619) 278-3766.

Sincerely,



Debora Ledesma-Ribera  
Caltrans D11 CWA Liaison

Attachment

Bcc: Erwin Isidro, Area Engineer, Local Assistance  
Intania Alcoran, Subvention Management, Division of Local Assistance

*"Provide a safe, sustainable, integrated and efficient transportation system  
to enhance California's economy and livability"*